

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out all of section 1 and inserting the following:

‘**Sec. 1. 28-A MRSA §1403-A** is enacted to read:

**§ 1403-A. Direct shipment of wine**

**1. Direct shipment of wine to residents.** A person currently licensed in this State or another state as an alcoholic beverage producer, supplier, importer, wholesaler, distributor or retailer who obtains a direct shipper's license as provided in this section may ship wine directly to a resident of this State for that resident's personal use if the resident is 21 years of age or older.

**2. Direct shipper application.** Before sending a shipment to a resident of this State, a direct shipper must file an application for a license with the bureau on a form issued by the bureau along with a true copy of its current alcoholic beverage license issued in this State or another state and a \$100 registration fee.

**3. Delivery to resident 21 years of age or older.** Wine shipped pursuant to this section may be shipped only to a resident 21 years of age or older and must be for the recipient's personal use only and not for resale. A direct shipper or 3rd-party carrier contracted by the direct shipper may deliver wine only to the person listed on the invoice or an adult member of the household, either of whom must provide a valid form of identification demonstrating proof of age. All containers used for shipment of wine under this section must be conspicuously labeled by the direct shipper with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR DELIVERY." A 3rd-party carrier contracted by a direct shipper shall register with the bureau as a direct shipper carrier on a form provided by the bureau and shall include on the form a description of the carrier's practice for verifying that recipients of alcoholic beverage shipments are 21 years of age or older.

**4. Bottle size and case limit.** A direct shipper may not ship a container of wine of less than 750 milliliters and may ship no more than 12 cases, each of which may contain no more than 12 750-milliliter bottles or an equivalent volume, to any one recipient address in a calendar year.

**5. Prohibited shipping areas.** A direct shipper may not ship to any address in an area identified by the bureau as a prohibited shipping area or a local option area.

**6. License renewal.** A direct shipper may annually renew its license with the bureau by paying a \$100 renewal fee and providing the bureau with a true copy of its current alcoholic beverage license issued in this State or another state.

**7. Payment of state taxes.** As a condition of receiving a direct shipper license as provided in this section, a direct shipper must comply with sections 1652 and 1703 and Title 36, Parts 1 and 3, specifically including, without limitation, all requirements relating to registration as a seller and the collecting, reporting and remittance of Maine sales and use taxes and must agree to be subject to the jurisdiction of this State for purposes of the enforcement of those obligations.

**8. Quarterly report.** A direct shipper shall report to the bureau quarterly beginning January 1st of each year the name and address of each recipient of wine in the State and the total number of bottles shipped to any one address during the reporting period. Reports required by this subsection must be submitted on forms provided by the bureau.

**9. Audit.** The bureau may perform an audit of a direct shipper's records relevant to compliance with this section. A direct shipper shall provide copies of any records requested by the bureau within 3 business days of that request.

**10. Violation.** A direct shipper or 3rd-party carrier who delivers or causes to be delivered wine to a person who has not attained 21 years of age in violation of subsection 3 commits a Class D crime. Direct shipment of wine without a direct shipper license constitutes a violation of the Maine Unfair Trade Practices Act. The bureau may suspend a direct shipper's license for failure to comply with the shipment limits and reporting requirements required by this section. The bureau may revoke a direct shipper's license for subsequent failure to comply with the shipment limits and reporting requirements. The bureau may accept payment of an offer in compromise in lieu of suspension; such payments must be determined by rule adopted by the bureau.

**11. Adoption of rules.** The bureau shall adopt rules to carry out the purposes of this section, including but not limited to rules requiring specific labeling and registration requirements for direct shippers in order to ensure compliance with the laws governing alcoholic beverage containers in Title 32, chapter 28. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

Amend the bill in section 5 in paragraph J in the first line (page 2, line 33 in L.D.) by striking out the following: "nonresident" and inserting the following: 'direct'

Amend the bill by inserting after section 5 the following:

**'Sec. 6. Appropriations and allocations.** The following appropriations and allocations are made.

## **PUBLIC SAFETY, DEPARTMENT OF**

### **Liquor Enforcement 0293**

Initiative: Appropriates funds for an office associate position and an inspector position and technology, supplies and mailing costs to issue direct shipper licenses and track reports from direct shippers for direct-to-consumer sales of wine.

<b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
POSITIONS - LEGISLATIVE COUNT	0.000	2.000
Personal Services	\$0	\$113,909
All Other	\$0	\$9,880
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GENERAL FUND TOTAL	\$0	\$123,789

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

### **SUMMARY**

This amendment strikes the section of the bill that establishes a nonresident shipper's license and replaces it with a section that establishes a direct shipper license. A direct shipper license allows in-state or out-of-state licensed entities to ship up to 12 cases of wine to recipients who are 21 years of age or older. The direct shipper or 3rd-party carrier contracted by the shipper must be shown proof of age in order to make a delivery. Wine shipments must be conspicuously labeled that they contain alcohol and may be delivered only to a person 21 years of age or older. The amendment clarifies that a direct shipper is required to pay all applicable taxes, including excise and premium taxes on wine. The amendment also provides greater detail in what is required to be reported by direct shippers and lists specific penalties for specific violations of laws governing the direct shipment of wine. The amendment also adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**  
(See attached)